

To: Honolulu City Council, Chair Mr. Ron Menor
From: Ms. Sharon Au (808) 733-0722
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Committee Hearing: Wednesday, July 12th, Council Bill 52 (2017) Amending Exemption for
Historic Residential real property dedicated for Preservation
Subject: Reject/Oppose Council Bill 52 CDI (2017), Minimum Real Property Tax

Aloha Honolulu City Council,

As a 5th generation Kama'aina and career Realtor for the last 32 years, my professional experience of home buyers regarding historic properties in our Hawaii real estate marketplace include:

- The majority of buyers are afraid of the restrictive nature of purchasing a home on historic registry. Buyers prefer not being obligated to the remodeling rules and restrictions placed upon a historic registered property already.
- Buyers will attempt to remove properties from the registry to give them freedom to tear down and rebuild if tax exemption incentive is lessened.
- Every year more vintage homes in Hawaii are torn down to build new. It's not going GREEN by filling landfills with demolished houses either. It's less expensive for a homeowner to tear down a structure and build new rather than restore a vintage property.
- Homebuyers and majority of the general public are drawn to the vintage properties but the restoration costs are prohibitive. Vintage properties start from tiny plantation cottages on substandard lots less than 2,000 sf of land. We are only hurting the small homeowners with limited resources already.
- Homebuyers realize that restoration costs of a vintage property far outweighs the tax exemption break. A tax exemption reduction would certainly impact the ability of the property owners to continue to preserve and maintain historic properties. The low benefit does not justify the high impact to historic districts and residences.

Altering the tax exemption program for historic residences would be a shame that would alter the historic architectural landscape of most of our island neighborhoods, all for the benefit of a few tax dollars today. Our vintage neighborhoods are a precious commodity and worthy of preserving and restoring for the future generations.

I strongly believe it's in Hawaii's best interest to encourage more homeowners and buyers by continuing this incentive of this vital tax exemption to aid in restoring the architectural beauty in our neighborhoods.

Please help preserve our neighborhoods by not changing the City's tax incentive program and preservation of historic homes. The program as it is recognizes the value that historic homes contribute to the public good, and should not be amended.

I kindly ask the City Council to oppose CB 52 CD1 and leave the minimum property tax for historic homes unchanged.

Thank you for this opportunity to share why it's important to protect this historic property exemption offering homeowners relief and more reason to preserve Hawaii's history.

Mahalo for your Kokua,

Sharon M. Au, Co-Owner, Principal Broker 32 year Professional

Honolulu Board of Realtors Board Member; Realtor, CRB, CRS, GRI, GREEN, SRES

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